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Manteca, CA 95337  
May 6, 1998

Lester Snow, Executive Director  
CALFED Bay-Delta Program  
1416 9th St., Suite 1155  
Sacramento, CA 95814

Dear Lester:

The Draft Water Transfer Element in the May 14 meeting packet demonstrates substantial progress on this issue. However, it still contains serious inconsistencies and disingenuous statements.

1) It correctly states in page 3 that "A water transfer is merely an action to move water from one user or water right holder to another". Yet on page 2 it states that "the transfer provides a new water supply", and that transfers "Augment existing sources of water". It also states that transfers "reduce the mismatch between supply and demand". This is very misleading! Transferees get more water only because transferors and third parties let less. A new yield may be transferred, but the yield is not provided by the transfer.

2) The statement on page 3 that "transfers do not wholly substitute" for increased water supply again implies that transfers create yield.

These statements all conflict with the objective on page 5 which states that we should "Encourage transfers that result in net improvements for water supply reliability", etc.

The statement on page 3 should be eliminated which states that "a more efficient water transfer market should result in some level of increased economic efficiency in the use of water as water gravitates by market forces to high value uses". It is highly controversial to assert that the production of computer chips has a higher social value than the production of food.

Sincerely,

  
Alex Hildebrand